

USAID GEO

GUYANA ECONOMIC OPPORTUNITIES

Assessment of the Readiness of the Guyana Information Youth Project (GIYP) to Institute a Micro-Lending Component

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Volunteer Youth Core

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Executive Summary

The Volunteer Youth Corps commenced operations in 1996 as a volunteer organization for young people, to provide social and caring services to human beings, by coordinating activities that will benefit the country's social and health sectors. Since then, programs relating to HIV/AIDS, blood donor, sexual and reproductive health, hospital visitations, and breast-feeding are some of the activities, which have been conducted.

Funding for these programs has been made available through multi national donors.

Within the past year it has developed and implemented the Guyana Information Youth Project GIYP, a youth entrepreneurial development program, which is providing training to six persons. UNESCO has funded this project.

VYC is considering the establishment of a micro financing project and has requested USAID/GEO to conduct an assessment of its plans.

A review of the objectives and operational style of VYC, a number of organizations involved in micro enterprise development provided examples of successful micro entrepreneurial and micro financing methodologies. A broad understanding of the constraints, peculiarities and size of the micro financing market sub-sector was also conducted with these organizations.

VYC's current operations were reviewed with regard to its involvement in entrepreneurial development with recommendations for its improvement.

VYC will require substantial additions to its Human Resources, modifications to its policies and procedures and secure access to investors funding if it is to proceed into micro financing.

Micro-Entrepreneurs – Market Assessment

The Consultant met with officials of the Institute of Private Enterprise Development (IPED), Guyana Youth Business Trust, Scotia Enterprise, Guyana Volunteer Consultancy Inc. (Voucher program), UNDP (Empretec Program), UNESCO, Small Business Development Finance (Manjula Brijmohan), and IADB to:

- Assess from other sources the availability of services same as or similar to VYC's.
- Determine the adequacy and accessibility of Micro-Financing available from other sources

Micro-entrepreneurs are emerging as a new sub-sector in Guyana, as it is globally. Various entities use different methodologies to assess the size of this potential market. There are differing criteria to describe a potential micro-entrepreneur. However, the most common criterion makes reference to the unemployed. Some assessments extrapolated figures using the population as a source and deducted the number of persons employed publicly and privately. In all of the discussions it was assumed that all unemployed persons, whether seeking employment or not, are potential micro-entrepreneurs. Philosophically, it can be argued that anyone could be a potential micro-entrepreneur if he/she is offered entrepreneurial training and micro financing. Not evident in many of these organizations' assessments was the distinction between real demand and opportunists.

Manjula Brijmohan, a veteran of this sub-sector, estimates that only 10% of the current demand of 145,000 is being serviced. Another estimate by a large multi-national agency is 260,000. If either of these estimates are correct it would mean that there are approximately 20-33% more of our total population of 760,000 who can become entrepreneurs, increasing the current level of entrepreneurs to a significant amount. If most of the current unemployed were to start businesses who would be the new consumers and what will be the impact on current businesses?

Definitions of small and micro-entrepreneurs are not consistent, with guidelines relating to number of employees, annual sales and total value of assets differing by more than 200%. In view of Guyana's current economic situation and the level of unemployment, a realistic assessment of the real demand is further challenged.

Many of the programs examined made no reference to the potential/demand for the intended businesses of the micro-entrepreneurs.

The total number of micro entrepreneurs who were trained and/or received micro financing in the past year is approximately 7,000 confirming Brijmohan's estimate. The majority was in the 35-40 years of age group and 75-80 female. Because of registration eligibility criteria almost all of the participants either owned or were in a business for a minimum of 6 months and therefore not unemployed. During 2001 one of the more established micro-financing institutions provided training and financing to less than 100

clients for a total exposure of approximately G\$3 million while approximately G\$20 million of its current assets were invested in term deposits with a financial house.

Global statistics show that 80% of all business startups fail within 18 months. In Guyana figures are quoted showing participants passing through training programs and repaying micro-credits of approximately six months duration. Statistics on micro entrepreneurs who are in their second to third year are not available.

In view of the high risks associated with this type of lending, delinquencies and default are high. This is reflected in the much higher cost of financing to the borrower. Interest rates are generally calculated on a straight-line basis at an average of 24% per annum, while traditional lending is 17-18% calculated on the reducing balance. Most recent Financial Reports indicate that lenders in this sub-sector are reporting good profitability.

Participation in micro entrepreneurial training and financing programs is increasing. With these broad estimates as a guide and the current trend globally and locally, it is envisaged that demand for this sub-sector will continue to increase. The potential market is much larger than the current level. An assessment of the total demand would require a detailed, separate, and well-coordinated study to assess the real demand of this sub-sector.

A macro analysis of the sub-sector shows that there is an unknown number of 30-45 years old, predominantly females, who are desirous of becoming entrepreneurs, and that this desire can be satisfied by non-traditional financial and mentoring organizations.

Micro-Enterprise Training - An Overview

Entrepreneurial Development and Training Centre

The center provides training for the holistic business development of IPED's clients. In 2001, practical field courses and pre-disbursement and business management training were administered to more than 2000 borrowers. Pre-disbursement training, a major training component, reviews the terms, purpose and repayment conditions of each borrower's loan. The Training Manager disclosed that during group sessions 'classroom scenarios are avoided...round table discussions are used to encourage participation'. The Centre creates a non-threatening environment and practical discussions on relevant topics. The Credit Officers deliver business training, monitoring and mentoring during field visits thereby ensuring customization and relevance of training. No minimum age restriction exists. There are no academic education criteria. Trainees are mostly 35 years or older with 70% being females.

Micro-enterprise Training Service Market Program (MTSMP)

MTSMP is a program administered by the Guyana Volunteer Consultancy Inc. (GVC) Known as 'the Voucher program' it is designed to help owners or employees of Micro-Enterprises to attend practical training to improve their businesses. Each trainee is issued a free \$3,000 voucher, made out in favor of and negotiable by a specified Training Institution (TI). TIs are pre-qualified business institutions capable of delivering training. Participants must be currently in a registered business which has a maximum of G\$3,500,000 in moveable assets and no more than 10 employees. Training must be between 20-40 hours with class sizes restricted to 20 participants. As at Jan 31 2003 vouchers have been issued to 16,399 trainees from 4,971 SMEs while 57 institutions have been granted approval to supply training. The total number of vouchers reimbursed to date is 9,222 valued at G\$27,666,000. Post-training evaluation of benefits to the trainees and surprise inspection of on-going training sessions are conducted regularly. Funding is provided mostly by IDB's MIF program supplemented by CIDA, USAID and the GVC. 41 % of trainees are under 30 years of age and 28 % between 30-40 years old.

Empretec

This internationally recognized program is executed under the guidance of the UNDP. Conceptually the program 'has identified the key characteristics associated with entrepreneurship' and has prepared eleven (11) workshops for entrepreneurial business development. The team of specialists is due to arrive in Guyana in March 2003 when plans would be initiated to promote, recruit and train participants. Six (6) local trainers would also be trained to replicate the training over the next three (3) years. Initial objectives are for 250 graduates during the period.

Micro-Financing –An Overview

Institute of Private Enterprise Development –(IPED)

IPED evolved from the Institute of Small Enterprise Development Limited in 1991 as the result of a name change. It is a non-profit and tax-exempt organization designed to provide non-traditional credit facilities, business guidance and technical assistance to MSMEs.

A meeting with the Executive Director and a review of the organization's annual report as at 31 Dec 2001 indicated the following.

IPED is the recipient of technical assistance from USAID, the British High Commission, IADB, the European Investment Bank, the Indian High Commission and the Government of Guyana IFAD program. Major investors in its operations are IADB, EIB, IFAD and a number of PL 480 loans.

The institute operates three (3) credit windows to better address the demands of MSMEs. During the year 4,352 loans totaling G\$669.8 Million were approved. The Micro Business sector, for which a firm must be in operation for a minimum of six (6) months, totaled 2,941 loans at an average of G\$52,000 per loan. These facilities are generally collateralized and/or guaranteed by a third party. Interest is calculated on a weekly basis ranging from 0.6-0.8% per week. Installments are due fortnightly over a 6-month term. Micro-Loan beneficiaries receive compulsory pre-disbursement management training with optional technical guidance.

The second and third windows make available credit facilities to Small-Medium sized businesses generally and agricultural related micro-borrowers in specific geographical locations. Approximately 90% of borrowers are 35 years or older, 80% of whom are females. There are no age restrictions or minimum academic requirements.

Guyana Youth Business Trust (GYBT)

GYBT, one of IPED's group of programs, was established in 2000, in association with the Prince of Wales Trust. It provides micro financing to entrepreneurs between the ages of 18-30 years. Funding is made available through contributions from IPED and a number of private companies and individuals. Every loan recipient is assigned a business mentor who provides coaching, counseling and guidance to the young entrepreneur.

Terms range from 6 months to 3 years with rates calculated at 20 % per annum on a straight line basis for loans under G\$200,000 and on a reducing balance for amounts exceeding this limit. All loans require collateralization and/or third party guarantee. An application fee of 1.0 % of face value is applicable.

The Annual Report 2001, for the year ended 31 Dec 2001, indicates that forty (46) loans averaging G\$96,282 were approved. Retail shops 24% and small vending enterprises 29% were the major recipients. While 71% of the beneficiaries were from Georgetown and its suburbs, the breakdown by gender was 52% males and 48% females.

Scotia Enterprise

Associated with the Scotia Bank, it provides credit to borrowers operating in the informal small business sector. Owner/operators in business for a minimum of 6 months and between the ages of 18-65 years are eligible.

With some similarities to the Grameen Bank Concept, prospective applicants must, on their own, form a group of 5-6 co-borrowers, who will borrow unsecured individual loans ranging from G\$15,000 – \$750,000. However members of the group are responsible for each other's loan repayment.

Terms are from 4-12 months with interest calculated at 25% per annum using a straight-line method, with fortnightly repayment by the group. There is a process for borrowers to graduate to higher levels of credit.

Small Business Development Finance

This recently formed organization is under the stewardship and general management of Manjula Brijmohan, formerly of IPED and a veteran of the Micro-Entrepreneurial sub-sector. In operation for approximately 3 months it is involved in Micro-entrepreneurial lending and training.

Average lending is in the G\$25,000 range and training is provided mostly in the areas of inventory management, financial controls, marketing and general business planning. An indication of the demand for this type of lending can be adduced from their recent experience. Two hundred and fifty clients requested financial assistance during the 3-month start-up period.

While statistics are unavailable on age differentiation, it is felt that most borrowers are in the 30 to 40 years of age bracket, 80% of whom are female.

Volunteer Youth Corps

During the period Feb 26th – Mar 10th the consultant met with and interviewed a number of VYC executives (see list of persons interviewed) who were very open, frank and helpful in providing verbal and written information that provided the basis for the report on the organization.

Constitution

The Constitution for the formation of this NGO was prepared by current employees Kenroy Roach, Goldie Scott, Keerti Hardowar and other Council members and approved on December 14, 1996.

Following are some of the key points of the organization's constitution:

The constitution of the VYC lists the following objectives:

- to provide support to persons hospitalized;
- to advance the cause for a better Health Sector;
- to provide an organization in Guyana that protects, enhances and co-ordinates activities that will benefit the country's Health and Social sectors.

The Executive Council determines the eligibility of prospective members. The Executive Council "shall be the sole authoritative body that will be responsible for the management of the Organization's affects (sic)".

Ordinary Membership

Membership is limited to persons between 14-35 years of age. The quorum for a General meeting requires 25% of the ordinary membership.

Executive Council

The executive council is to be made up of nine (9) volunteer members who are elected by the members.

The constitution provides for 8 members to be elected to Council with the Legal Counsel to be appointed by the Chairman as the 9th Councilor with full voting rights.

Appointments are for 2 years.

For meeting purposes a quorum for the enactment of any decision taken by the membership is 60% of eligible votes. While the quorum needed to start is 50% of the executive council membership.

Membership

Current membership is 25 active and 5 inactive members, down from a total of 40 persons one year ago and approximately 150 during earlier years. The last ordinary general meeting was held in January 2003 and was attended by three (3) Executive Council members and nine (9) other ordinary members, four (4) of whom are full and part time staff.

Funding

There are four funding sources as follows:

Sponsor	Project	Amount G\$
USAID	HIV/AIDS	7,461,600
UNESCO	GIYP	3,720,000
UNICEF		800,000
Local		200,000

USAID HIV/AIDS program is in the third of a five-year annually recurring program of approximately G\$8.5 million per annum. UNESCO has spent US\$20,000 for GIYP

Executive Council

The Constitution was amended in 1999 to change the frequency of AGMs from annually to every two years. The last AGM scheduled for 2001 was not held and the next is scheduled for December 2003. A proposal would be made at the next AGM to reduce the committee size to seven executive members and a voting patron.

The executive committee is now functioning with four members and a non-voting Patron, the spouse of the US Ambassador to Guyana. The quorum needed to start is 50% of executive council membership, which is five persons.

As a result of resignations the council is now operating with four active members, three of whom are also the senior executives of the operations. The Public Relations Officer, a volunteer, operates on a limited part time basis.

Position On Council	Name	Organisational Responsibility
Executive Chairperson	Kenroy Roach	Chief Executive Officer
Vice Chairperson	Vacant	----
Secretary	Goldie Scott	Asst to CEO
Treasurer	Keerti Hardowar	Financial Officer
Asst Sect/Treas	Vacant	----
Public Relations Officer	Collins Herman	PRO (part-time/ voluntary)
Legal Counsel	Vacant	----
Membership Retention Officer	Vacant	----
Executive Officer	Vacant	----

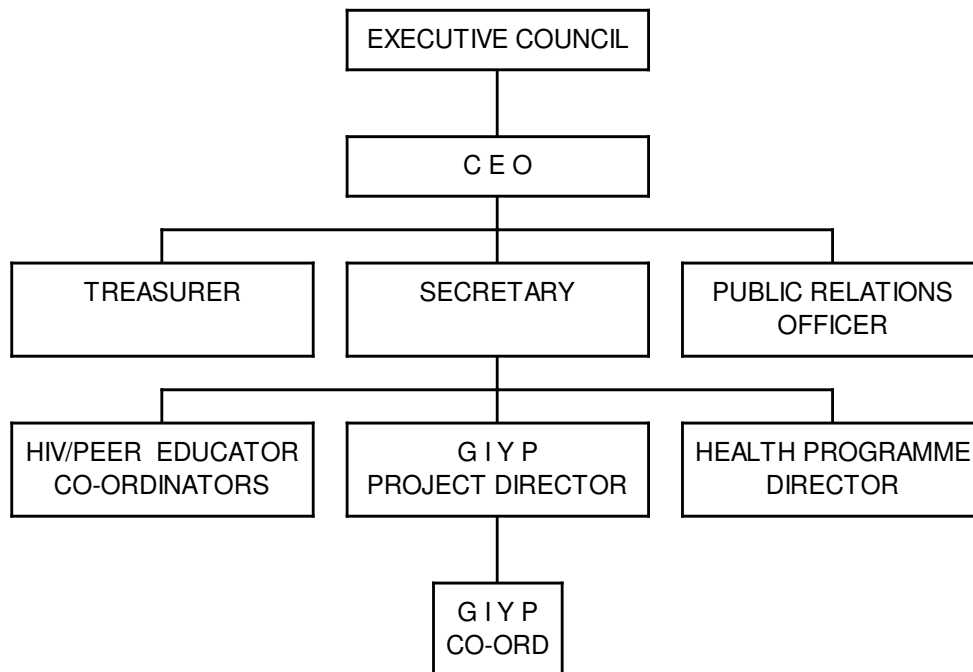
A phenomenon peculiar to NGOs is the limited number of volunteers available for key positions within the organizations. In this instance the Executive committee members are the senior managers operating the business on a day-to-day basis. This situation, probably unavoidable, therefore raises concerns related to accountability, evaluation and general decision making within the organization.

These specific concerns, coupled with the fact that the executive committee is not fully represented warrant review and correction.

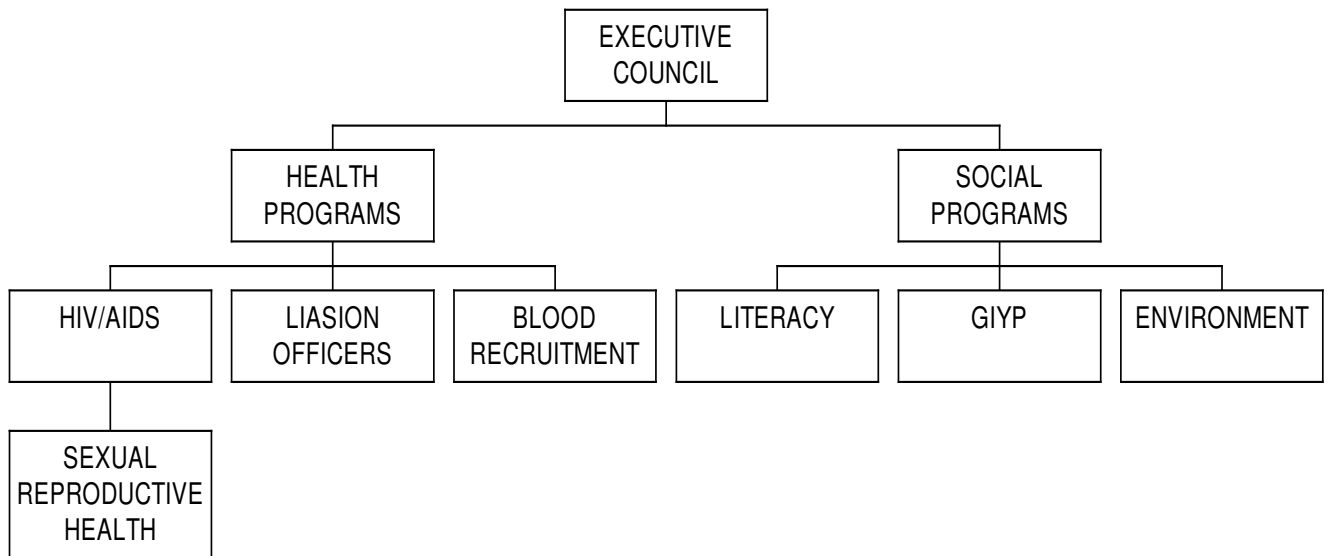
Accountability

There is no separation of functions between the management and the executive council hence accountability; monitoring and the performance evaluation of the key personnel and the organization are non-existent. There are no policies or procedures that abrogate these situations.

ORGANIZATIONAL CHART



PROGRAMS CHART



Management

The CEO and the Executive Secretary are the most senior managers and effectively the decision makers of the organization. They are graduates of the University of Guyana

Kenroy Roach, the CEO, has his major certification in Industrial Relations and Management. He is the founder of the VYC and is very involved with a number of other Youth, HIV/AIDS, and Volunteer organizations.

Goldie Scott, the Executive Secretary, functions as the general manager of the organization. She has a degree in Environmental Studies and is involved in youth and volunteer activities.

These managers are eager, motivated, and their commitment is demonstrated in the extraordinary hours they keep. They believe in and practice the spirit of youth volunteerism.

Guyana Information Youth Project (GIYP)

The Guyana Information Youth Project is the Volunteer Youth Corps activity which focuses on business entrepreneurship.

Concept and Objectives

The concept for the formulation of the GIYP is articulated in the curriculum planning document which states; “With the advent of the information age and the increasing demand for young people to become technologically literate there is a need to provide all of Guyana’s youth with the opportunity to learn skills needed to become technologically competent.... and perform efficiently in a computerized environment”.

The GIYP was launched on February 21, 2002 to satisfy a perceived need to provide “employment for school drop-outs”. (Kenroy Roach- founding Chairman and CEO). Philosophically, the project is aimed at “empowering young people between the ages of 17 and 27 with vital information needed so that they can document ideas in the form of business concepts so that they can pursue and realize the establishment of successful small businesses”.

Secondary objectives would allow young people to be actively integrated into society through raising their self-esteem and creating job opportunities for them.

Budgets and Funding

The main benefactor of the project is the Guyana Federation of UNESCO Clubs. UNESCO has provided US\$20,000 for the devolvement and implementation of the GIYP. The purchase of 10 computers, a multi media projector, a photocopying machine, books and furniture accounted for 68% of the funds and 13% for consulting fees and volunteer training and 5% for public relations

Expected Results

Among the expected results are:

1. 300 youth able to use IT equipment.
2. 500 youth able to conceptualize sustainable business concepts.
3. 400 youth to have access to responsible mentors
4. Increased employment for young people through the creation of sustainable small businesses

Entrepreneurial Development Methodology

Entrepreneurial development will occur during three phases:

1. Tutoring
2. Mentoring
3. Attachments

Results and Achievements - GIYP

Registration and Start-up

This project commenced on June 10, 2002. Enid Meleika Thom, a graduate of the University of Guyana in Business Management and secondary school teacher attached to TUC Ville Secondary School, was appointed Project Director of the GIYP. Ms. Thom works as a volunteer to this project. Shawnet Singh who was one of the original registrant manages the project but has since left the program to become the full-time paid Project Coordinator.

Participants Selection

Twenty prospective applicants were interviewed by some of the Executive Council, using the following criteria:

1. Age - between 17-27.
2. Have a business idea.
3. Must have attended CXC level of education with 2-3 passes.
4. Have a strong desire to own a business.
5. Be committed and have time for training.
6. Have potential to become a good leader/manager.

Ten participants were selected for the next six months of tutoring.

Topic Selection

Ms. Thom, using the curriculum from her University of Guyana course as a basis and from discussion with the Executive Council regarding their perception of the needs and challenges facing young potential entrepreneurs, selected topics. Eight tutors earmarked for this project, also assisted in preparing the curriculum. Training was divided into two parts, each of 3-months duration. The following topics were selected:

Part 1 June to August

- Principles of Business Management
- Principles of Marketing
- Business communication
- Principles of Economics
- Computer studies

Part 2 – September to December

- Computer Studies
- Principles of Accounting
- Business Planning
- Business Proposal Development

These are actually eight topics, with each topic being conducted in a classroom setting over three afternoons for three-hour periods, i.e., 5:00 pm to 8:00 pm. This arrangement accommodated participants who were gainfully employed during the day.

Tutors

The Project Director selected a batch of qualified volunteer tutors, primarily from her contemporaries, graduates of the University of Guyana. The VYC used the opportunity to target this group, as “it did not make sense to advertise to the general public for volunteers” and they were readily available and academically qualified in the relevant topics. This group also has the added characteristic of being in the similar age group to the participants.

Tutors	Profile	Course
Arlene Dinally	Business Management deg. Computer Studies dip.	Business Communication Business Management Computer Studies
Karen Cumberbatch	Law Llb. Business Management deg.	Business Planning
Charmayne Cumberbatch	Business Management deg.	Principles of Marketing
Elaine Lovell		Business Proposal Development
Edmund Khanoo	Accounting deg. AC C A	Principles of Accounts
Oneeka Williams	Economics deg	Principles of Economics
Anthony Braithwaite	Computer Studies dip	Computer Studies

Mentors

The mentorship program, which commenced at the start of the project, conceptually links participants with successful young entrepreneurs. In reality, many of the mentors who volunteered were not necessarily entrepreneurs, but rather young professionals employed in businesses. This resulted in “peer mentoring” when participants were matched with the professional.

Attachments (Placements)

At the conclusion of the six-month tutoring phase, and on completion of the mentoring phase, which started during the tutoring phase, the attachment/placement phase would then occur. In this process potential graduates from the first two phases would be placed with entrepreneurs that are similar in operation to the conceptualized business plans of each participant. The mentoring and attachment phase could be for a one-year period.

Evaluations

There are two evaluation documents used during the program. Samples attached.

1) Program Evaluation

This 11-question document reports on the mechanics and housekeeping of the Tutoring sessions with comments required on punctuality, the receipt of courses and timetables, the temperature and cleanliness of the classroom and participants desks and caring for equipment and furniture.

2) Mentor Evaluation

This 11-question document is a self-evaluation of each mentor regarding his/her weaknesses and strengths, potential challenges as a mentor and how those challenges can be overcome.

GIYP –An Analysis

Market size for micro financing

As indicated earlier, the demand for micro entrepreneurial training and financing is not clearly defined; internally VYC has no such statistics. While there is general agreement on the type of training and level of financing required, no quantitative information is available relating to age, and geographic location. VYC and its GIYP refer to potential market as unemployed, 17-27 years old youth desirous of starting a business.

Participant Eligibility Criteria

Most of the current participants in other micro entrepreneurial and micro credit organizations are in the 30+ age group and have been involved in their own business for a period of time. These entities do not require CXC certification as a prerequisite. It would seem, therefore, the GIYP's age and academic criteria are not consistent with the trends in this sub-sector and even more importantly, are not consistent with the characteristics of today's entrepreneurs.

Topic Selection

Locally, organizations involved in entrepreneurial training, and similar international organizations that provide skills development to entrepreneurs show a preference for non-academic type of training.

Topics are generally related to business planning, marketing, inventory control and getting the business going. At a much later stage, emphasis is placed on accounting, economics, and IT development. While micro businesses exist in our IT world, IT technology is not used on a daily basis. In many instances, computer technology cost is many times more than all the assets of a micro business. The average assets employed by a micro business is in the G\$100,000 to G\$150,000 range, which includes inventory and ancillary equipment.

Teaching Methodology

Entrepreneurial training must be understood, especially in its difference to business management training for employees. While the latter is an academic institutionalized methodology, the former is targeted to the entrepreneur who is generally "classroom shy". Experience has shown that this type of training occurs best in a non-traditional environment, i.e., round table discussions, case studies, participatory workshops and most importantly, the presenter must be practical, hands-on and currently in the real business world.

GIYP's approach of using a structured setting with University lecturers in a classroom, with manuals and workbooks is a new and innovative method. The results would be seen in the future.

GIYP as a volunteer organization, focused on youth and youth development, attracts similar people. Its tutors, mentors, decision makers are therefore the younger, newer business people who are enthusiastic, highly motivated and hard working. In most instances, these activities occur outside of normal working hours. The results of this uncommon approach to entrepreneurial skill development would be realized in the future.

Participant Level

Original proposals articulated expectations for IT and/or entrepreneurial development of 300-500 young people. There are six graduands in the tutoring phase. This level of participation is lower than expected and it is postulated that this is as a result of the selection criteria, screening process and promotional activities, which may not have attracted and selected the desired participants.

One of the inferred objectives of the GIYP, which was presented to UNESCO, was to expose youth “to the use of IT equipment”. No statistics were recorded regarding usage and/or utilization of the ten computers purchased under this funding. The original participants, tutors, mentors, staff, general members and volunteers have all had access to IT development and/or use of the equipment. GIYP has now prepared retroactively, an analysis of IT utilization, which shows seven hundred and eighteen (718) persons had access to IT equipment since the start of the project.

Participants

Ten registrants commenced the program, two of whom dropped out in the initial stages. An additional two (2) did not complete the Tutoring phase. The six (6) graduates are:

Name	Current Status	Proposed
Kelvin McRae	Employee- COURTS.	Internet cafe
Paul Pierre	UG Grad/ Honey producer	Rabbit farm
Shonnette Goodridge	Employee-money transfer	Money Transfer
Shonnell Hinds	Stationery-proprietor	Beauty salon
Ngozi Nassy	Restaurant -proprietor	Pig rearing
Wandiah Ward	Seamstress	Fashion Designer

Of the two who did not complete Tutoring, one opted out and now coordinates the Project while a second continues to operate a small confectionery and clothing stall in the Stabroek Market.

Tutors and Mentors

The availability of tutors and mentors is greater than the participants' demands. This demonstrates the spirit of the project, which attracts young business volunteers. A typical example is thirteen listed mentors, while only six are needed. An analysis of the mentors list shows that five are mid management persons with DDL, three with Banks DIH Ltd., two are managers of small to medium sized businesses, two University graduates and one Proprietor of his own business.

Attachments

This phase is not yet scheduled and there is some speculation as to whether it will occur.

Project Evaluation and Monitoring

The requirement for documented project, program, tutor and mentor evaluations is of extreme importance for this institutionally funded project. Participants' input and their evaluation of the relevance and benefits of the training, management's assessment of tutors' and mentors' performance are definite requirements to monitor and ensure the relevance and effectiveness of this project.

The current evaluation of tutoring and mentoring focuses on efficiency factors, such as preparedness of mentors and tutors, attention to schedules, timeliness, and the care of assets during training.

It appears that varying types of evaluations were done by a cross section of VYC's personnel, however, these were done ad hoc and not recorded.

Conclusion

As indicated, from the analysis of similar organizations in Guyana, the development of entrepreneurs occurs in non-academic environments where ideas presented are based on practical experience. Trainers are, therefore, those who have had practical experience in their field.

GIYP's achievements are much less than the objectives that were established for the project. There are contributing factors and reasons for this performance and VYC will need to examine these and implement a strategy for improvement if it is to continue in the field of entrepreneurial development. Current management and all other resources are well suited for achieving objectives relating to its Health and Social Health programs. The addition of practicing or recently retired entrepreneurs to the current management team is an imperative. An assessment of the real needs and requirements of potential entrepreneurs must form the basis of its curriculum. Training methodology will require modification to change it from formal classroom to adult learning settings.

Institutions involved in micro financing generally operate under strict controls and guidelines, which are established by policies and procedures that are peculiar to the financial sector. Access to investment and the protection of investors are the prime concern of any financial institution. Guidelines are generally established by legislation and/or regulations, while a Board of Directors, independent of management, provide the strategy and policy for the organization. Management is layered, accountable and evaluated on the results of the organization's activities.

To venture into micro financing, VYC will require further additions to its management team, specifically persons with relevant experience. It will need to re-examine its procedures and possibly reengineer its operations to strengthen its decision-making, evaluation, and accountability procedures.

While the demand for micro financing cannot be quantified and is based mostly on estimates, the institutions currently involved in providing financing are not operating to their maximum capacity. It would seem reasonable therefore that a strategy should be adopted where in the short-term, VYC, will supplement its core of young and motivated qualified academics, with experienced entrepreneurs to provide training for micro financing institutions. In the longer term VYC could work towards its own micro financing project, subject to the above recommendations.

Notes to meetings

March 10, 2003 – Kenroy Roach, Shonette Singh

Finally met with Mr. Roach who was in Essequibo last week, assisting in presenting Leadership Workshops. I requested on his return today and met with him at 1:00pm, attended by Shonette Singh who had no role nor participated in the discussion.

Purpose of the meeting was to bring to Mr. Roach's attention and obtain answers to some observations as follows:

Market size for micro entrepreneurs – this discussion still did not shed any light on the market size for micro entrepreneurial training and micro financing. Information was not easily obtained from proposals or original documents used by VYC in its communications/negotiations with benefactors and donors.

History – a written history of VYC is not available. Roach, Hardawar and Scott, original members since 1996, are the keepers of the institutional memory of the organization. This organization started on a full voluntary basis and its operations conducted after hours by Mr. Roach and a team of volunteers.

VYC is to prepare a history of the organization.

Constitution – The constitution was amended in 1999 to change the frequency of AGMs from annually to every two years.

There has been no AGM since. The last AGM scheduled for 2001 was not held??

On the matter of the size of the committee, which should be 9 voting members, I questioned the validity of having a committee of three members. In contradiction of information provided last week, I was told that Collins Herman, the part-time public relations officer and executive committee member is still deemed to be a committee member, but just not as active as before. Plans are in place to reduce the size of the committee at the next AGM in December 2003, when members would be asked to approve a two-tier structure with seven executive members and a patron. The second level will consist of departmental heads, program heads and project.

To-date, the committee operates with four members, the patron, Mrs. Wesley-Ann Godard. The members have not sanctioned this structure. Despite probing, I'm unable to determine specific reason for postponement of 2001 AGM.

Regarding executive committee members being senior managers, especially as it relates to accountability, evaluation and decision-making, it seems that these issues are peculiar to NGOs. Because of the volunteering nature of these organizations, a handful of persons perform all the key functions. This is not dissimilar to the start-up situation in a small business. Attempts will be made to recruit new members to the committee.

Evaluation - The lack of project, program, tutor and mentor evaluation were discussed. Highlighted was the two evaluation forms, which dealt with mechanics, classroom environment, etc., during tutoring. It appears that evaluations were being done by a number of persons, i.e., the project director, project coordinator, chairman, however, these were done in an ad hoc and undocumented manner.

Eligibility criteria- academic requirement of 2-3 CXC passes is now considered too high. Especially when internationally, entrepreneurs generally do not complete Secondary School.

Low Participants level – The original proposal for the GIY Project articulated expectations of between 300-500 youth who would receive IT, and/or business and/or mentoring training. It appears that the intent of the proposal was to expose youth “to the use of IT equipment”. To date the GIYP has six participants who have completed the tutoring, the first of three phases.

Response the mentors, all of the original participants, the staff, the volunteers, friends of the volunteers and others have been passing through the office and are being exposed to IT. Reports would now be prepared retroactively, to trap this information over the past year, to determine number of persons actually used the computers.

Budgets and Funding – I’m unable to get a handle on donor funding and disbursement. USAID HIV/AIDS program is in the third of a five-year annually recurring program of approximately G\$8.5 million per annum. UNESCO has spent US\$20,000 for GIYP. An undated report shows that this was spent totally in capital expenditures to purchase ten computers for GIYP participants, multi-media projector, photocopying machine, furniture and training for the volunteers. UNICEF has been billed to pay for training of volunteers from other NGOs. I’m unable to get a meaningful financial statement. After a number of queries, specifically regarding the absence of dates on financial documents, I was provided the operating budgets for this year, i.e., May 2002 to April 2003 which shows a budgeted figure of G\$7,461,600. This is for salaries and consulting fees, travel, accommodation, utilities and other out of pocket expenses. I’m unable to obtain expenditures to-date. It appears that expenditures are not allocated to cost centers.

UNESCO Proposal – A proposal has been submitted to UNESCO Paris to finance a second GIYP for US\$33,000 for the purchase of ten additional computers - US\$11,000 and the balance in general overheads and human resources costs in delivering the project. This also includes air conditioning of the premises to house the computers.

Micro-financing – We discussed briefly the requirements for micro-financing, specifically such topics of decision making, accountability, evaluation, separation of duties and authority, accounting and audit procedures, to name a few, and their importance in any type of micro-financing entity. It is a firm conviction that the current status of the organization does not provide for these capabilities. However, because it is lacking in these, donor funding would be required to upgrade VYC in these areas,

specifically separating the duties and decision making at the executive level – executive management level.

Source of financing – It is anticipated that donor(s) would provide 100% financing for the micro-financing project.

Conclusion – It appears that the donors, specifically UNESCO, as it relates to the GIYP is interested in capital expenditures to provide IT access to young people, hence the thrust of this project. I'm unable to determine any signs of evaluation, cost benefits or reports, i.e., statistical reports.

The eagerness, the enthusiasm, the energy, long hours of volunteering that goes into this project by some of the key players, especially Mr. Roach, must be recognized and highly commended. The spirit of volunteerism, deep personal convictions to the development of young people dominates his actions and reflects forcefully. His knowledge and experience in the field are apparent.

This young organization seems to be evolving to respond to the perceived needs of young people and matching those with opportunities available through donors. There is a firm conviction that VYC should get into micro financing and should not even consider any type of relationship or alliance with any of the current micro-financing entities.

The Volunteer Youth Corps, initiated in 1996, has as its backbone four (volunteers/employees) deeply committed to the development and betterment of young people. Initially designed to be involved in the health and social health areas, it is now evolving to satisfy the expanding needs of its membership. It is now venturing into environmental issues and entrepreneurial development.

The GIYP, its entrepreneurial pilot project is now at the mid-point of its planned activities. It has ventured into micro-entrepreneurial training using as a guide the corporate culture of its parent, the VYC.